THE PRESIDENT HAS SEEN

THE WHITE HOUSE

WASHINGTON

October 11, 1975

MEMORANDUM FOR THE PRESIDENT

FROM:

L. WILLIAM SEIDMAN for

SUBJECT:

Future Relations with the International Labor

Organization (ILO)

The attached memorandum from Secretary Dunlop summarizes the unanimous recommendation of Secretaries Kissinger, Morton and Dunlop that the U.S. should give a two-year notice of intent to withdraw from the International Labor Organization (ILO).

U. S. DEPARTMENT OF LABOR

OFFICE OF THE SECRETARY
WASHINGTON

MEMORANDUM FOR THE PRESIDENT

SUBJECT: Future Relations with the International Labor Organization (ILO)

After consultation with Secretaries Kissinger and Morton, I am submitting for your information the following considerations concerning our future relations with the ILO.

The ILO was established to specify by conventions international labor standards and to improve working conditions, create employment, and promote human rights. It also carries out technical assistance programs in less developed countries.

The ILO is older than most UN specialized agencies; it was founded in 1919. AFL President Samuel Gompers chaired the Commission which drafted the ILO constitution at the Paris Peace Conference. The United States joined in 1934. We pay 25 percent of the ILO budget, or \$11,000,000 in 1975. The ILO is unique among international agencies in that it is tripartite. The U. S. tripartite Delegation to the annual Conference, which traditionally concerns itself with the development of labor standards, is composed of two delegates from the Government and one each from the AFL-CIO and the Chamber of Commerce of the United States. The two Government delegates normally come from the Department of Labor and Department of State with an alternate from the Department of Commerce. United States has a Government seat (filled by the Department of Labor) on the tripartite Governing Body, which acts as a board of directors in providing instructions and guidance to the Director General. The U.S. worker delegate from the AFL-CIO, and the U.S. employer delegate from the U. S. Chamber have been elected to three year terms as Worker and Employer members of the Governing Body by their respective groups of the ILO Conference. Government, workers, and employers participate autonomously and vote separately, but the U.S. Government can continue to participate effectively only if U. S. Workers and Employers continue to support the Organization.

When the ILO Conference in June 1975 granted observer status to the Palestine Liberation Organization, the U. S. Workers walked out of the Conference and the Employers, together with the Government Delegation acting on instructions from Secretaries Kissinger and Dunlop, left for the balance of the day. The ILO action on the PLO was the latest event in a trend toward politicizing the ILO, diverting it from substantive work. The annual Conference spends too much time on political issues. Totalitarian states persistently seek to weaken the role of Workers and Employers, and the ILO itself seems indifferent to Communist bloc violations of its Conventions on Freedom of Association and Forced Labor.

The AFL-CIO Executive Council has now called on the U. S. Government to give the constitutionally required two-year notice of intent to withdraw from the ILO. The AFL-CIO Convention subsequently adopted a resolution calling for a reassessment of U. S. membership in the ILO. Until such a notice is transmitted, the AFL-CIO will not support payment of dues to the Organization and has pressured both Houses of Congress to cut off Department of State appropriations for these dues. Joint House Senate Conferees have opted for the House version which suspends payments for the last half of 1975.

An earlier crisis was reached in 1970 when Congress, stimulated in part by the AFL-CIO, cut off ILO dues for two years after the ILO appointed a Russian to a high-level position in the Secretariat. Although the funds cutoff was mildly successful in reducing political attacks, many countries considered that by failure to pay dues we had violated our treaty obligations.

The only means provided in the ILO Constitution to terminate membership is the issuance of a two-year notice of intent to withdraw. Should a notice be issued, the U. S. could press for reforms and, if satisfied, would be able to abort the action at any time within the two-year period.

Issue: In arriving at our unanimous recommendation that the U. S. should give the two-year notice of intent to withdraw, the following advantages and disadvantages were considered.

Advantages:

- The U. S. Government cannot continue effectively to participate if future U. S. Worker and/or Employer participation is in doubt. The AFL-CIO has made it clear that it will not support further dues payments

to the ILO until a letter of intent to withdraw is issued. The concerned committees of the U. S. Chamber agree with sending a letter of intent, and the position of the Chamber as to the timing of the letter will be decided by its Executive Committee in late October or early November.

- The interim period will provide an opportunity for labor and management, working with the Government, to develop a vigorous program of activities to reverse the objectionable trands in the ILO, and to ensure the U. S./ILO policy is reviewed continuously at high levels in State, Labor, and Commerce.
- A letter of intent is the only way we can establish a terminal date for US assessments, should we actually withdraw in two years.
- The letter may make the ILO, as well as other UN agencies, more amenable to reforms suggested by the U. S.

Disadvantages:

- U. S. Workers, Employers, and Government have never committed adequate resources for ILO work; a letter of withdrawal could be regarded as premature.
- U. S. influence in support of our main objectives—such as preserving tripartism and human rights -- may diminish with the prospect of U. S. withdrawal, since the U. S. would in effect be a lame duck. In such circumstances, our adversaries could benefit.
- Some ILO Member States may resent the letter which they may regard as a bluff.
- A letter of intent to withdraw from one UN agency may have a domino effect on Congressional attitudes toward membership in other UN agencies.

Tab A provides a draft of the letter of intent to withdraw developed by the Departments of Labor and Commerce. The Department of State has reservations both as to the length of the letter and its specificity regarding the issues of concern to the United States. We will continue our consultations to resolve these differences within the next two weeks.

Congressional Consultations.

Consultations with appropriate members of the Senate and the House, to inform them in advance of the decision to issue a letter of intent to withdraw and the reasons therefor, will be undertaken by the Departments of State, Commerce and Labor.

2. <u>Timing</u> the letter of intent will be sent before the next session of the ILO Governing Body convenes on November 10. The precise timing will be worked out by the Secretary of State in consultation with the Secretaries of Commerce and Labor.

3. Intensified U. S. Participation.

It is imperative to assemble a high level consultative committee to develop an ILO action program. Such a committee would not only deal with the US/ILO policy but would ultimately advise you on withdrawal.

While the committee is being formed, there are a number of actions we can take with existing staff; for example establishing a close consultative network with like-minded member states to arrive at joint positions on issues before the ILO and closer consultation with the ILO Director General and his office.

ECRETARY OF LABOR

Attachment Tab A